



Morning Alert - Wednesday, July 11, 2018

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HEADLINES

Morning news

All networks and most national papers continued to give extensive top coverage to the aftermath of the record rainfall in western Japan, saying that flooding of the Enoki River in Fuchu, Hiroshima, on Tuesday forced local residents to evacuate. According to NHK, the death toll reached 159 and 57 people remain missing.

Other items on the front pages of the national dailies included an official agreement between the nation's two major oil refiners, Idemitsu and Showa Shell, to consolidate their business operations, and the rescue of all members of the Thai soccer team and their coach who had been trapped in a cave for almost three weeks.

INTERNATIONAL

Japanese outlets correct reporting on DPRK working group

Yomiuri reported from Washington on a written statement issued on Tuesday by DOS Press Secretary Nauert, who noted that although the State Department has established a working group on ways to achieve the denuclearization of North Korea, the group does not include North Korean members. Deputy Assistant Secretaries Alex Wong and Benjamin Purser and other diplomats will reportedly join the DOS working group, which was created upon instructions by the Secretary to assist Ambassador Sung Kim, who has been deeply involved in denuclearization talks with DPRK representatives. Since the working group appears to be a purely USG taskforce, the daily opined that it is uncertain whether its launch will lead to swift progress on the denuclearization of North Korea.

Kyodo filed a similar story, conjecturing that the launch of the U.S. taskforce suggests that Pyongyang may not have agreed to establish a joint panel with Washington due to differences between the two sides over measures to advance denuclearization.

China court hands down heavy sentence to Japanese citizen charged with espionage

Tuesday evening's Asahi front-paged the disclosure by a source involved in Sino-Japanese relations that a Japanese man in his 50s was given a 12-year sentence for espionage, among other alleged crimes, by a court in Hangzhou in the Zhejiang Province. The defendant, who was allegedly taking photos near a military facility when he was apprehended by the local police in May 2015, is one of eight Japanese nationals who have been detained on charges of espionage and other crimes in China in the past three years.

Explaining that it is extremely unusual for a Japanese citizen to be found guilty for espionage in China, the daily claimed that the jail sentence illustrated that the Xi administration takes a stern approach to sovereignty and national security regardless of the gradual warming of bilateral political ties as evidenced by Prime Minister Abe's purported plan to travel to China later this year. A Beijing-based diplomatic source speculated that the Chinese government made clear that this type of incident is separate from diplomatic relations. An unnamed senior MOFA official reportedly said: "The sentence will not adversely impact the positive trend in bilateral relations, which remain strong."

Other papers ran similar stories this morning, focusing on the Japanese reaction, including a comment made by Chief Cabinet Secretary Suga, who said: "The appeal process is still ongoing.... We would like to extend him as much support as possible from the standpoint of protecting Japanese nationals." While dismissing the allegation that the Japanese government has sent spies to China, the spokesperson also said: "It is important for both nations to strive to prevent the matter from having a serious effect on bilateral relations."

Kono to visit France on behalf of Abe

Yomiuri and Nikkei wrote that Foreign Minister Kono is planning to visit Paris on July 12-14 to attend the opening ceremony of an exhibit on Japan that Prime Minister Abe originally planned to participate in. The top Japanese diplomat will hold a meeting with his French counterpart on Friday and observe a military parade the next day. According to Mainichi, Kono departed Tokyo for Kuala Lumpur yesterday for talks with Malaysian Prime Minister Mahathir today before traveling to France.

ECONOMY

Japan's trade report stresses cooperative tone of economic relations with U.S.

Yomiuri and Sankei took up this year's trade report released on Tuesday by METI. The report commented on the Trump administration's trade policy by saying: "It is aggressively invoking trade provisions and international enforcement measures." On the U.S. metal tariffs on foreign imports, it said: "Rather than having an adverse impact on U.S. national security, Japanese products are making great contributions to U.S. industries and jobs." Pointing out that the GOJ document separately described U.S.-Japan economic relations as being "cooperative in tone," Yomiuri wrote that Tokyo appears anxious to avoid bilateral trade friction with Washington. The annual trade report also highlighted the intense trade conflict between the U.S. and China, underscoring that tit-for-tat unilateral measures not based on WTO rules do not serve the interests of any party and that the global free trade system is confronted with a challenge.

Prominent U.S. businessman defends Trump administration's trade policy

Asahi published an interview with former CEO/Chairman of Nucor steel company Dan Dimicco regarding the Trump administration's trade policy. The businessman reportedly defended the President's approach to trade by saying that his critics ignore the fact that the U.S. singlehandedly supported the reconstruction of other economies in the aftermath of WWII by being the most open market in the world and that because the U.S. manufacturing industry weakened as a result, it is high time for other countries to "stand on their own two feet." Asked about the Trump administration's reported criticism of Japan and other U.S. allies' trade policies, Dimicco said they should be held accountable, along with U.S. multinational companies, for allowing China to disrupt and upset trade rules by turning a blind eye to its violation of intellectual property rights and excessive production of steel. On the proposed auto tariffs, the businessman, who is a member of a USTR blue-ribbon commission, reportedly argued that a strong manufacturing base is necessary from the standpoint of national security. The paper added that Dimicco was a trade advisor to candidate Trump during the presidential election campaign.

